

public preparation and notoriety. The new pass abounds in valuable anthracite coal mines, access to which by railway is a fact pregnant with great possibilities. It will of course be of great importance to the U. P. R. to obtain the benefit of a new and superior pass across the mountains.

The drop in the ocean cattle rates from Montreal came at a time when relief to the trade, in some form, was essential to vigorous prosecution, almost to its existence. Rates from Canada have for some time past ruled higher than from the United States, a condition of things by which the trade was greatly embarrassed. Prices for cattle, on the other side of the Atlantic, still remain low, and there is a tendency to a glut in the market.

THE RETALIATION QUESTION.

When, from the American point of view, mutuality of canal tolls, on two sides of the line which divides Canada from the Republic, had been exacted, a parity of conditions had been established which might form a basis of future negotiation. Under the circumstances it was desirable that with the cessation of the old cause of international irritation, no new ones should be created. Any discussion that may take place between the two governments may be expected to observe the decorum of diplomatic limits; but nothing can, we fear, prevent foolish and irritating remarks being made by persons whose irresponsibility sits lightly upon them. In this respect the modern newspaper interviewer is liable to become a venipable pest. Very often his sole object is to produce a sensation that will attract attention to his doings. All sorts of rumors are set afloat, of what the two governments, or some of their citizens, intend to do, and sometimes official notice has to be taken of them. The American Government has been informed by somebody that Canadians intend to evade the payment of tolls on the St. Mary's canal by taking produce from Duluth to Port Huron for shipment by the Grand Trunk railway. The Treasury Department at Washington points out that this cannot be done; that besides an evasion of tolls, the scheme contemplates a breach of the American coasting laws. If any Canadians were foolish enough to propose anything of the kind, they must have been exceptionally weak in moral fibre, and not over-scrupulous as to the political or international effect of their acts. The Acting Secretary of the Treasury, Mr. Spaulding, notifies the Hon. Mr. Middaugh, of Detroit, that the proposed evasion of tolls is not possible, for the reasons stated.

But Mr. Spaulding puts an interpretation upon the proclamation issued under the Retaliation Act that is not wholly unfavorable to Manitoba produce. He says that "if carried in American bottoms, it is not subject to tolls." He adds, however, if carried through the canal from Duluth to Sarnia for consumption in or export from Canada, it would be. According to this, Manitoba produce will not necessarily be subject to tolls on the St. Mary's canal. The condition of freedom is that it shall be

carried in an American vessel from one American port to another, and must not be carried with the intention of being afterwards diverted to Canada, either for consumption or reshipment. Unless it can be taken from Sarnia to the American seaboard and shipped to England at rates as low as those which prevail on the Canadian route, this liberty of free shipment of Manitoba produce through the St. Mary's canal will not benefit the growers of grain in that province. There is a possibility that it may be of some service to them.

The most regrettable incident in connection with our present relations to the Republic, is the misunderstanding between the representatives of the two countries on the question whether Canada promised to abolish the rebate complained of early in the present year. Two Americans who attended the conference undoubtedly got the impression that such a promise was made, or left to be inferred from something that was said; while our representatives, it is equally clear, never intended that such a conclusion should be drawn from anything they said. It is plainly a misunderstanding. There is no difficulty in believing that both sides state their conviction of what passed at the conference, in perfect good faith; and the only thing is for each to credit the other with sincerity of conviction. Unless this is done, all guaranty for the good faith on which international negotiations are based, would be gone.

We are reminded that President Harrison, by his proclamation, vested in him by the Retaliation Act. This is true; and as retaliation become his duty, he cannot be accused of acting with unnecessary harshness or giving just cause of complaint on our part. His object was, as we gather from Secretary Foster, to establish a parity of conditions between the two countries; according to this view, equality exists; the wrong which was assumed to right; the cause of complaint being removed, we find resting ground that may serve for the remainder of the season, after which our Government is pledged not to prolong the rebate. By some fatality, it appears that an intimation of this intention was not communicated to the Government of Washington, before the issue of the proclamation. The American Government became aware of the resolve of our Government, through its consul at Ottawa, at the last moment. If the delay was caused by official circumlocution, the cause may at least be understood; if not, it would be impossible not to impute negligence in a matter of grave concern.

Canada is not likely to do anything so imprudent as to hurl back retaliation. She is not persuaded that she violated the Treaty of Washington, and feels that her honor is unsullied; and though she could not be coerced politically, through commercial appliances, she is anxious to conciliate the goodwill of her great neighbor. Canada has, we are sure, no thought of a policy of reprisal, irritation or unneighborly conduct; but her firm resolution is to maintain her autonomy, come what may.

The first of September has come and gone, and the situation remains unchanged.

It was open to our Government to procure the non-execution of the President's proclamation by at once abolishing the rebate. This has not been done, and the tolls on the St. Mary's canal will be enforced against Canadian commerce. Against this contingency our Government never undertook, expressly or by implication, to guarantee Canadian forwarders, by whom the policy of rebate was strenuously urged, and to whose persistency its adoption was largely due.

MORTGAGE LOAN COMPANIES.

On another page is presented a recapitulatory statement of the affairs of seventy-one loan and building societies in Canada which make returns to the Dominion Government. Sixty-one of these societies are in Ontario, eight in Quebec and two in Nova Scotia. The official report for the calendar year 1891, prepared by Mr. Garland for the Deputy Minister of Finance, mentions some changes in the list as it stood in previous years. The Canada Landed Credit and the National Investment have, as we know, amalgamated; the assets of the Empire Company of London have been bought by the Dominion Society of the same place; the Canada Investment and Agency Co. of Montreal is liquidating, and the Canada Mutual of the same place is wound up. The People's Mutual Building Society declines to make returns because it has not a Dominion charter, and the Netherlands American Land Company does not report because it does no lending business in Canada. Two new companies are noted, namely, the Toronto Savings and Loan Company of Toronto and the Royal Mutual Building Society of Montreal.

Treating these seventy-one societies as a whole, we find their aggregate subscribed capital to be \$85,204,544. There has been paid upon stock \$34,658,748, while the reserve funds (\$10,190,670), unpaid dividends and unappropriated profits amount to \$12,296,080. So that the liabilities to stockholders are \$46,954,778. The societies have borrowed from the public an aggregate of \$76,960,925, the principal items in which are deposits, \$18,482,958; debentures payable in Canada, \$8,550,054; debentures payable abroad, principally in England and Scotland, \$46,848,039. Thus the total liability of the companies to stockholders and the public was, at the end of December last, \$123,915,704.

The main business of most of these societies being the loaning of money on the security of real estate, the largest item among their assets naturally is mortgage loans. These amount to \$106,404,855, and are made upon lands whose value is appraised at \$223,024,898, showing a margin of security of a little more than half (52.25 per cent.) Loans have been made to shareholders of \$743,357 upon the security of their stock, and the remaining loans of about \$3,000,000 are on stocks, bonds and debentures, municipal or other. Thus the total loans amount to \$110,082,218. In addition, the companies own property valued in all at \$14,958,927. Of this there was held (Dec. 31) in the shape of cash on hand or in banks, \$4,048,688; office premi-